

Supervision of supply of an optical cable for communication and signalling to the railways of Azerbaijan, Georgia and Armenia Inception Report

10 October 2002

Form 1.2. REPORT COVER PAGE

Project Title: Supervision of Supply of an Optical Cable System for Communication and Signalling to the Railways of Azerbaijan, Georgia and Armenia												
Project Number : Traceca1999												
Country	: A	zerbaijan, Georgia,	Armenia									
	Local Operator	Local operator	Local Operator	EC Consultant								
Name	Azerbaijan Railways	Georgian Railways	Armenian Railways	Finnroad Oy								
Address :	28 May St. 25a 370010 Baku Azerbaijan	15 Queen Tamara ave 380012 Tbilisi Georgia	Tigran Metzi 50 375005 Yerevan Armenia	Opastinsilta 12H 00521 Helsinki Finland								
Tel. number	+99412-985087	+99532-954412	+3742-520428	+358-9-8689 880								
Fax number:	+99412-939613	+99532-952527	+ 3742-573630	+358-9-8689 8830								
E-mail :	musa@azjde.baku.a	z n.a.	arway@mbox.amilink.ne	t raimo.sallanmaa@finnroad.fi								
Contact person:	Mr Musa Panahov	Mr Igor Melkadze	Mr Ararat Hrimyan	Mr Raimo Sallanmaa								
Signatures:	> >>>	-,	-	R:								
	Date of report: 10.10.2000											
Reporting	g period .	Inception repo	ıı									
Author o	f report :	RS/Finnroad, I	K/Corenet									
EC Moni	toring team	me]	[signature]	[date]								
EC Dala	-	id.										
EC Deleg		me]	[signature]	[date]								
TACIS [task mar	nager] [na	ume]	[signature]	[date]								

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1. Project Synopsis

Form 1.3 PROJECT SYNOPSIS

Project Title:

: Supervision of Supply of an Optical Cable System for Communication

and Signalling to the Railways of Azerbaijan, Georgia and Armenia

Project Number

: Traceca1999

Country

: Azerbaijan, Georgia, Armenia

Wider objectives:

The wider objective of the programme in Caucasus is the support the full use of the Traceca transport corridors through Caucasus and provide means for efficient transmission of telecommunications data for both railways and private telecommunications companies throughout the Caucasus region. It will enhance safety and security for railway operations and simultaneously enable the private telecom operators to penetrate the Trans-Caucasus communications market.

Specific Project objectives:

The objectives of this consulting assignment is to provide technical supervision of the manufacture, supply, installation, witness testing jointly with the Railways and hand-over of the optical cable system, as well as monitoring that adequate training and transfer of knowhow is provided by the supplier. The consultant provides also certificates for partial and final acceptance.

Outputs:

Optical cable system installed and operational according to specifications and approved by the Supervision consultant and Recipients

Inputs:

Supervision will include monitoring and approval of manufacture and factory tests, monitoring of works progress on site, monitoring and approval of partial field testing and final testing, provision of certificates to the Contractor on accepted deliveries. Supervision will be carried out using part time expatriate principal supervisor, part time expatriate technical supervisors, as well as part time local supervisors one in each country.

Project Starting Date: 21.8.2002

Project Duration: 9 months

2. Analysis of the Project

2.1 Start situation

Contractual Situation

The contract between EC and the Supervising Consultant has been signed on August 21, 2002. The extension of the contract between EC and the Contractor (Siemens) has been signed on August 27, 2002.

Responsibilities of parties in the implementation

The supply of cables, pipe, equipment and system as well as the installation and connection of the system will be the responsibility of the Contractor, whereas the design and implementation of cable laying and repair and facilitation of technical rooms will be carried out by the Railways in each country. The role of the Supervising Consultant will be to monitor project progress, witness testing jointly with the Railways, and provide certificates for partial and final acceptance.

2.2 Mobilization and inception phase

General

The project started with a two-month inception phase. The beginning of the project has been carried out in home office (full time for the Supervising Engineer, part time for the Project Director) studying the documents and collecting and verifying the technical materials. The first meetings with each of the recipient railway companies and the Contractor have been be organised in the project countries during the inception phase between 26.9 -1.10.2002.

The work programme and contents for the assignment has been worked together with the recipients and Contractor in order to agree on a smooth and realistic implementation schedule for the project. The supervision, testing and acceptance programme of the Consultant will be finalised based on the supply schedule.

The duties of our local experts have been specified. The agreements with our Azerbaijan, Armenian and Georgian local supervisors have been finalised.

The new dead lines to complete the project by the 27th of May 2003 were agreed in the last Coordination Team Meetings. The dead lines for the works in all three countries has been agreed in the signed minutes of coordination team meetings. The time schedule for the testing and acceptance is part of the time schedule of the project. The test protocols have been given to the consultant and Railways.

Kick Off Meetings

Kick off Meetings were held in Azerbaijan, Georgia and Armenia between 26.9 –1.10.2002. The Tacis Task Manager for the Project, representatives of the Recipient, , the Contractor and Supervising Consultant participated in all the meetings. The minutes of the meetings are attached to this report.

Project Coordination Team

The representatives of the Project Coordination Team were confirmed in the meetings. The Coordinators are:

- Azerbaizan Railways, Mr. Karaev
- Georgian Railways, Mr. Melkadze
- Armenian Railways, Mr. Karaghezyan
- Contractor, Mr. Hellwig
- Supervising Consultant, Ms. Koskela

The role of the Coordination Team will be to keep all parties fully informed of project status and progress, to identify potential problems at an early stage as well as find solutions to the problems.

In addition it was noted that the TRACECA programme co-ordinators in Caucasus will provide assistance and advise during the implementation of the project and may attend the co-ordination meetings.

Civil Works Situation

2.3.1 Azerbaijan Railways

Civil work progress

- The cable and duct are installed completely. The acceptance tests for duct laying and cable blowing have been performed and signed by Siemens.
- All technical rooms (48 pcs) are at the moment rehabilitated. The small technical rooms (37 pcs) have air conditioning. There is no air conditioning in 11 technical rooms. Each technical room has power supply, but grounding has not been finalised in any of the rooms.

Contractor's work progress

- Deliveries of the duct and cable are completed
- Deliveries of OTN equipment and PABX (Hicom) are completed except the power supply of the Hicom.
- 45 OTN and 4 PABX have been installed
- 116 closures and 36 ODFs have been installed

2.3.2 Georgian Railways

Civil work progress

- The subcontractor of the Railways has laid 542 km of duct and 540 km of cable has been blown (only 2 km is missing in Poti Port).
- All technical rooms are finalised except in Poti Port the air conditioning is missing and in Kvaloni, Kolobani, Abasha and Chalatiti the cable between OTN and Hicom is missing.
- Siemens has informed Railways about the bad quality of the cable blowing. Siemens has a list of deficiencies which has not yet corrected.
- PTT connection works are in progress and Railways has given the data to Siemens for Tbilisi station and Samtredia will follow.
- The information of data to program the PABX has given to Siemens (customer data).

Contractor's work progress

- Delivery of the duct and cable are completed.
- Delivery of OTN, PABX Eurosets and Optisets, Batteries and power supplies as well additional 12 km of cable are completed.
- All the deliveries of the contract have been completed. Test equipment and additional 20 closures (not part of this contract) have not been delivered yet.
- 50 OTN (out of 52) and 9 PABX (out of 11) have been installed. OTNs and PABXs for Tbilisi and Samtradia has not yet been installed.

2.3.3. Armenian Railways

Civil work progress

- At the moment all the technical rooms are refurbished. Electrical boxes are in progress and grounding are in progress except at five stations where the grounding has already implemented.
- The duct has been laid and cable blown.

Contractor's work progress

- Delivery of the duct and cable are completed
- Delivery of OTN equipment is completed
- Delivery of PABX (Hicom) is completed except the power supplies of Hicom
- 45 closures have been installed

Testing and approval programme and final time schedule

It was agreed in the kick off meetings that the Contractor and Railways will agree on the installation and testing programme. The Contractor will prepare together with the Railways the final time schedule for the installation and testing without delay after the mission. It. will base on the dead-lines in the kick-off meetings.

Risks

One of the key aspects for the smooth and timely implementation of the project is the correct timing of activities of the Contractor and the three railways organisations. The project also needs the co-operation of the Governments for successful conclusion.

Because of the slow start of the project and the slow progress the new deadlines have been agreed and an updated time schedule has been issued by Siemens and recipient enterprises. EC has confirmed the extension and issued an addendum to the supply contract and signed a new extended supervision contract basing on the new deadlines.

The original completion dates of the Contracts were in May 2002. The new dead line of the Contract is May 2003. In order to complete the project according to the specified dead lines more cooperation is required in order for all parties to be to be fully aware of the project progress and practical problems and to adjust the plans accordingly. No further extension to project completion can be granted anymore.

Siemens needs to retain active supervision in order to get all the civil works completed in time. It has been agreed that Siemens and Railways together will inspect all installations of the cable and reconstruction of technical rooms.

Azerbaijan Railways

The cabling works has been completed. The technical rooms are rehabilitated, but the air conditioning and grounding works of the technical rooms must be completed by the 30th of October 2002.

Georgian Railways

Siemens has indicated and informed Railways about deficiencies in the cabling works after inspection. These corrections must be performed by the 30th of October and Siemens will make acceptance test for those by the 15th of November 2002.

In case of additional mistakes found out after acceptance test according to the standards, Railways will cover the financing of the additional testing works provide by Siemens. Siemens will have separate negotiations with Georgian Railways concerning the additional cost of the acceptance test.

Armenian Railways

Siemens has indicated and informed Railways about some deficiencies in the cabling works. Siemens will make a complete list of the deficiencies by the 14th of October 2002. Railways will make the correction works by the 31st of December 2002. The Railways will inform Siemens about the corrections. Missions will be organised by Siemens before 15th of November 2002 in order to witness the progress of all works. As discussed during the meeting with EU and Minister of Transport the project will stop if sufficient progress can not be shown.

Ì	3.2 Duties of the Supervision Consultant
1	The duties of the supervision assignment include the following tasks:
	a) Overall supervision of the project
	Throughout the project duration the consultant will supervise and monitor the implementation of the project and make reports on all deviations and foreseen problems. The site supervision work will be carried out on a weekly basis through site visits carried out by the local subconsultants (using 1-2 days per week in each country), and these visits will be supported with approximately three-monthly expatriate Supervising Engineer's visits to the sites. This will ensure continuous monitoring of the progress of works. The partial acceptance tests, system acceptance test and test of completion will be organised in connection with the Supervising Engineer's site visits.
7	b) Ensure the compliance of the system with the technical specifications
	The consultant has studied the technical specifications and the Contractor's proposal and contract, and checked that the proposed system complies with the specifications. The consultant has also monitored and carried out factory acceptance tests for both the cable and the system components.
	c) Approval of the technical documents related to the design, manufacturing and installation of the system
	 The consultant has assessed to approve the following documents and processes: The overall transmission architecture network and high level design documentation The factory and site acceptance test procedures The operation and maintenance manuals
7	d) Witnessing the progress of works
	The consultant shall witness according to a sampled and selected witness program the following activities: • The on-site installation of optical cable, transmission and telephone equipment • The partial and system acceptance tests • The completion tests
7	e) Participation in the project start meetings
	The consultant will participate in the project meetings in all three countries, organised by the national railways between the contractors and the beneficiaries in order to be fully aware of project progress and problems at all times.

3. Project Planning

3.1 Approach

Our approach for the implementation of the assignment is based in the following principles

1. Periodic supervision missions to all three countries

After the inception period our Experts will carry out supervision missions to the project countries, on in average three-month intervals in order to monitor the progress of civil works, installation of cable and installation of transmission and PABX systems. The witness testing of sub-components of the system will be carried out during these visits.

Cooperation with local partners and counterparts.

The local experts, who will be in touch with our head office whenever required, will carry the daily supervision work between EU expert missions. Local experts will mainly be responsible for the civil works monitoring as well as general duties like adequacy of Contractor's quality assurance system and methods for supervision of cable laying and implementation of cable connecting work. We will also keep contact with the beneficiary throughout the project implementation in order to ensure good cooperation, transfer of know-how and timely execution of their part of work.

3. Emphasis on the critical issues in timing of works.

We understand that one of the key aspects for the smooth and timely implementation of the project is the correct timing of activities on Contractor's side who will provide the system, and the three Railways organisations' side who will provide civil works.

Equal cooperation with all three countries.

Because of the international nature of the work and three countries involved we will keep adequate contacts with all involved organisations. We shall keep all authorities as well as transport operators informed of developments in the project in order to enhance the project's attraction and visibility as well as cooperation between the countries. We will also keep contact with the Tacis Coordination Units operating in these countries and look for their assistance whenever required.

f) Reporting

The Consultant will monitor the project performance progress on a regular basis and keep Tacis regularly informed.

The Consultant will prepare quarterly reports on the project progress to the Tacis Task Manager and Tacis Coordinating Units in Azerbaijan, Armenia and Georgia. The reports will be also delivered to all three recipient railway companies.

In addition to the general reporting, the consultant will immediately inform Tacis in case of technical problem, non-conformity or delay in the project implementation.

The draft version of the final report of the project will be published in the end of May 2003 and final report one month *later*.

g) Certification

The consultant will provide Tacis with the following certificates:

- · Certificates of Delivery
- Certificates of Progress (tests)
- · Certificates of Completion
- Certificates of Compliance

h) Environmental monitoring

The consultant will monitor specifically the environmental impact of the project and the compliance with European environmental standards and practices related to the execution of works, disposal of waste materials, etc. and will keep Tacis informed on a regular basis.

3.3 Project goals or objectives

The wider objective of the programme in Caucasus is the support the full use of the Traceca transport corridors through Caucasus and provide means for efficient transmission of telecommunications data for both railways and private telecommunications companies throughout the Caucasus region. It will enhance safety and security for railway operations and simultaneously enable the private telecom operators to penetrate the Trans-Caucasus communications market.

The objectives of this consulting assignment is to provide technical supervision of the manufacture, supply, installation, witness testing jointly with the Railways and hand-over of the optical cable system, as well as monitoring that adequate training and transfer of know-how is provided by the supplier. The consultant provides also certificates for partial and final acceptance.

3.4 Intended results or outputs

- Inception Report
- Project Progress Reports (in January, in April)
- Final Report (in May)
- · Informing Tacis immediately in case of technical problem, non-conformity or delay
- Acceptance Certificates

3.5 Constraints, risks and assumptions

One of the key aspects for the smooth and timely implementation of the project is the correct timing of activities of the supplier who is providing the cable and systems, and the three railways organisations who are providing civil works. The project also needs the cooperation of the Governments for successful conclusion.

3.6 Planning for next reporting period

Throughout the project duration the consultant will carry out periodic supervision of project progress, approval of testing and approval of installations, monitoring and reporting to Tacis. Reports will be produced quarterly but in each report we will present plan for next six months.

Next report will be issued in January 2003, after the next expatriate visit to the sites in December 2002.

Consultant tasks during next period (>> 31.12.2002)

- Monitoring technical rooms in Azerbaijan
- Monitoring technical rooms and cable corrections in Georgia
- Monitoring technical rooms and cable corrections in Armenia

3.7 Reporting

The reporting for the project will be carried out in accordance with the Terms of Reference. After this Inception report the next progress report will be published in January, the second progress report in April and the draft version of final report in May 2003. The reports will be delivered to the Tacis Task Manager, Tacis Coordinating Units and to all three recipient railway companies.

The inception report summarises the start-up phase and makes recommendations, if necessary, on changes to the work plan, scope or methodology. Progress reports will summarise progress from the beginning of the project, deviations, problems and suggested solutions, and present a work plan for the next six months.

The progress reports will include all the relevant below mentioned topics 1-4:

- Summary of project progress since the start
- 2. Summary of project planning for the remainder of the project
- Project progress in reporting period
- Project planning for next reporting period

LIST OF ANNEXES

Annex 1: FORM 1.4 OVERALL PLAN OF OPERATIONS

Annex 2: FORM 1.5 OVERALL OUTPUT PERFORMANCE PLAN

Annex 3: FORM 1.6 PLAN OF OPERATIONS FOR THE NEXT PERIOD

Annex 4: MINUTES OF START-UP MEETINGS

Annex 1: FORM 1.4 OVERALL PLAN OF OPERATIONS

Form 1.4 OVERALL PLAN OF OPERATIONS

Project title : Caucasus Optical Cable System Supervision Project number					r : Traceca1999			Country :Azerbaijan, Georgia, Armenia					Page :			
Plannin	ng period :				Prepa	red on : 10	10.2002			EC Consultant : Finnroad with Corenet, Helsinki						
	08/2002-5/2003				1.1000				- 1	Lo concunan						
Project	Project objectives: Specific objective of this supervision project is to assure the proper technical execution of the supply of an optical cables system for communication and signalling to the railways of Azerbaijan												Azerbaijan,			
Georgia	Georgia and Armenia. The overall objective is to improve communication systems, promote the full use of TRACECA corridor as well as to increase competition in the telecommunications sector in Caucasus.															
						E 2002-20				INPUTS						
												EQUIPMENT AND OTHER				
					Mor	nths	77.1			NSULTANT	CONSU	JLTANTS	MATERIAL		- Table State Stat	
No	ACTIVITIES	11	12	01	02	03	04	05	Planned		Planned	Utilised	Planned	Utilised	Planned	Utilised
					_				-	1						
1.	Coordination team meetings								42 d	0 d	60 d	0 d				
2.	Certificate of deliveries								2 d	0 d	10 d	0 d				
3.	Monitoring completion of the technical rooms in Azerbaijan								2 d	0 d	10 d	Od				
4.	Monitoring cable correction and technical rooms in Georgia								4 d	0 d	15 d	0 d				
5.	Monitoring cable correction and technical rooms in Armenia								6 d	0 d	15 d	Od				
6.	Monitoring equipment installation in Azerbaijan, Georgia and Armenia								6 d	0 d	20 d	0 d				
7.	Monitoring commissioning, witness testing			1				þ	16 d	0 d	10 d	0 d				
8.	Certificate of partial and system tests								2 d	0 d	0 d	0 d				
9.	Progress reports / Inception report		1				7		12 d	0 d	10 d	0 d				
10.	Certificate of Completion report								3 d	0 d	0 d	0 d				
						TOTAL (days)	95 d	23 d	150 d	0 d					

Annex 2: FORM 1.5 OVERALL OUTPUT PERFORMANCE PLAN

FORM 1.5: OVERALL OUTPUT PERFORMANCE PLAN

Pro	ject title : Caucasus Optical Cable System Supervision	Project number : Traceca1999	Country :Azerbaijan, Georgi	ia, Armenia	Page :		
Pla	nning period : 08/2002-05/2003	Prepared on : 10.10.2002	EC Consultant : Finnroad w	ad with Corenet, Helsinki			
	Outputs (to be described and target dates indicated)	Agreed Objective Verifiable	Indicators	Constraints and Assumptions C/A			
1.	Reconstruction works (including air conditioning, grounding, power supply) completed by Railways in all 3 countries (1.11.2002; except air conditioning in Arm 15.3.2003)	Site approval letters issued by Supplie	r to each Recipient 1.				
2.	Cable corrections must be completed in Armenia and Georgia (31.12.02)	Civil works approved by Supplier, submitted by Supplier	cable joint test results 2.	 C: Siemens will make a complete list of the deficience by the 14th of october 2002. 			
3.	Equipment delivery completed by Supplier in all 3 countries	No. and type of equipment verified with the supply contract	by Consultant to match 3.	A: Consultant can check delivery upon arrival in one location in each country			
4.	Installation and commissioning of the system completed by Supplier (20.04.03)	Partial and system Acceptance Te Completion reports provided by Su Consultant					
5.	Training of system operators completed by Supplier (21.05.03)	Lists of trained staff in each country is sheets, as well as contents and materisubmitted by Supplier and approved by	d of each training course				
6.	As-built drawings of system delivered by Supplier to the Recipients (21.05.03)	As-built drawings approved by Recipi	ents 6.	A: Translations of all manuals telecom technical translators	shall be made by qualified		
7.	System handed over to the Recipients (21.05.03)	Certificate of Acceptance issued by ea of Completion issued by Consultant	ch Recipient, Certificate 7.	C: Consultant's contract expires the system	before the handing over of		

		Traceca 1999								
Annex 3:	FORM 1.6 PLAN OF OPERATIONS FOR THE NEXT PERIOD									

Form 1.6 PLAN OF OPERATIONS FOR THE NEXT PERIOD (Work programme)

Project title : Caucasus Optical Cable System Supervision				Project number : Traceca1999				Country :Azerbaijan, Georgia, Armenia				Page :		
Planning period : 08-12/2002				Prepared on : 10.10.2002				EC Consultant : Finnroad with Corenet, Helsinki						
Project and A	ct objectives: Specific objective of this supermenia. The overall objective is to improve	ervision project is communication s	to assure	e the pro promote	the full use	of TRACE	CA corrid	apply of a or as wel	n optical I as to in	cables system crease compet	for communicati	nmunications sec	to the railways of Azo tor in Caucasus. IPUTS	erbaijan, Georgia
				Second half of 2002						PERSONNEL			EQUIPMENT AND MATERIAL	OTHER
No	ACTIVITIES	07	08		09	10		11		12	EC Consultant	Local Experts		
1.	Coordination team meetings					中				中	24 d	60 d	Office equipment	Flights + DSAs as per contract
2.	Certificate of deliveries										0 d	10 d		contract
3.	Monitoring completion of the technical rooms in Azerbaijan					T	Ī	Ì			2 d	10 d		
4. 5.	Monitoring cable correction and technical rooms in Georgia			ᄅ	-		+				2 d	15 d		
6.	Monitoring cable correction and technical rooms in Armenia			片	_	+	+				2 d	15 d		
7.	Monitoring equipment installation in Azerbaijan, Georgia and Armenia						十				2 d	20 d		
8.	Monitoring commissioning, witness testing										0 d	10 d		
9	Certificate of partial and system tests								-		0 d	0 d		
10.	Progress reports / Inception report						<u> </u>				4 d	10 d		
11.	Certificate of Completion report										Od	0 d		
		, , , , , , , , , , , , , , , , , , , 						TOTAL	(days)	tract	36 d 95 d	0 d 150 d		

SUPPLY OF AN OPTICAL CABLE FOR COMMUNICATION AND SIGNALLING TO THE RAILWAYS OF GEORGIA, ARMENIA AND AZERBAIJAN

COORDINATION TEAM MEETING IN BAKU, 24.9. 2002

MINUTES OF THE MEETING

Participants:

National Railways: Mr

Mr Musa Panahov

Mr Vahid Karaev

Mr Djamshid Garakhanov

European Commission:

Mr Efstathios Dalamangas

Contractor (Siemens): Mr Juergen Hellwig

Mr Thomas Hubert

Mr Stijn Maesen

Traceca Coordination Team: Mr Marc Graille

Supervisor (Finnroad):

Ms Irja Koskela

Mr Mamedali Aminov

1. Opening of the meeting

According to the original time-schedule the project was supposed to be completed by the mid of May 2002. Due to different reasons the progress of project has been slow and therefore the duration of the project in all three countries was expanded.

Mr Panahov opened the meeting and welcomed all the participants. Mr Karaev briefed on the progress achieved up to date.

2. Present situation of the Project

Civil work progress

- The cable and duct are installed completely. The acceptance tests for duct laying and cable blowing have been performed and signed by Siemens.
- All technical rooms (48 pcs) are at the moment rehabilitated. The small technical rooms (37 pcs) have air conditioning. There are no air conditioning in 11 technical rooms. Each technical room has power supply, but grounding has not been finalised in any of the rooms.

Contractor's work progress

- Deliveries of the duct and cable are completed
- Deliveries of OTN equipment and PABX (Hicom) are completed except the power supply of the Hicom.
- 45 OTN and 4 PABX have been installed
- 116 closures and 36 ODFs have been installed

3. Deadlines

Responsibilities of Railways:

- Reconstruction works of the technical rooms must be completed with air conditioning, power supply and grounding by the 30th of October 2002
- PTT connections must be completed by the end of December 2002.
- The Railways must give the customer data to Siemens by the end of November 2002.

Responsibilities of Siemens:

- Installation of the equipment must be completed by the 30th of January 2003.
- Commissioning of the system must be completed by the 28th of February 2002

The partial acceptance test for the system can then start on the 1st of March 2003. The partial acceptance certificate for Azerbaijan can therefore be issued by the end of March 2003. After Test of completion will be completed Finnroad will issue a "Test of completion certificate".

4. Time-schedule of the project

 The dead lines in the minutes of the meetings will be the basis for the updated time-schedule which must be provided to EC via Finnroad by Siemens and Railways without delay after the mission.

5. Test procedures and Certificates

- Siemens has presented the detailed test procedures to Railways (part of the HLD-documentation).
- The test report shall be issued by Siemens to Railways and Finnroad for acceptance no more than 14 days after completion of the test.
- After the acceptance of the test Finnroad will issue test certificate.

It has been confirmed already in 2001 that it is possible to invoice as per the progress in each country separately. Therefore it is possible to invoice each country separately when the Partial acceptance tests are accepted by the Finnroad.

6. Other matters

Siemens proposed that before any additional deliveries they need to have guarantee from EU or the Railways that in case of some additional delays in the progress of the civil works they will get payment from already delivered equipment, materials and other costs (eq. taxes and duties).

Deputy Prime Minister Mr Sharifov has signed on the 30th of January 2002 protocol in which he accepts that the costs for any additional quantity requirement for the completion of the project in addition to the quantities specified in the supply contract shall be financed and paid by the recipient enterprise (Paragraph 4). In the same protocol he also accepts that any liabilities to the EC as the client of the supply contract caused by additional delays in the execution of the recipient Enterprise obligations shall be borne by the Recipient Enterprise (Paragraph 5). He also stated that he will undertake all measures, that TACIS tax exemption on subcontractors is ensured.

Mr Panahov ensured that Siemens will get back taxes and duties of 4800 \$ they have paid.

- 7. Next coordination team meeting
 - Next coordination team meeting will be held in December 2002.

Signed in Azerbaijan on the 25th of Sebtember 2002

For Azerbaijan Railways

Mr Vahid Karaev Head of Department

For Contractor

For Supervising Consultant

Mr Juergen Hellwig Project Manager Ms Irja Koskela Principal Supervisor